

“(1) IN GENERAL.—Each State that receives funds under this title shall—

“(A) ensure that any State rules, regulations, and policies relating to this title conform to the purposes of this title and provide any such proposed rules, regulations, and policies to the committee of practitioners under subsection (b) for their review and comment;

“(B) minimize such rules, regulations, and policies to which their local educational agencies and schools are subject;

“(C) eliminate or modify State and local fiscal accounting requirements in order to facilitate the ability of schools to consolidate funds under schoolwide programs; and

“(D) identify any such rule, regulation, or policy as a State-imposed requirement.

“(2) SUPPORT AND FACILITATION.—State rules, regulations, and policies under this title shall support and facilitate local educational agency and school-level systemic reform designed to enable all children to meet the challenging State student academic achievement standards.

“(b) COMMITTEE OF PRACTITIONERS.—

“(1) IN GENERAL.—Each State educational agency shall create a State committee of practitioners to advise the State in carrying out its responsibilities under this title.

“(2) MEMBERSHIP.—Each such committee shall include—

“(A) as a majority of its members, representatives from local educational agencies;

“(B) administrators, including the administrators of programs described in other parts of this title;

“(C) teachers, including vocational educators;

“(D) parents;

“(E) members of local boards of education;

“(F) representatives of private school children; and

“(G) pupil services personnel.

“(3) DUTIES.—The duties of such committee shall include a review, prior to publication, of any proposed or final State rule or regulation pursuant to this title. In an emergency situation where such rule or regulation must be issued within a very limited time to assist local educational agencies with the operation of the program under this title, the State educational agency may issue a regulation without prior consultation, but shall immediately thereafter convene the State committee of practitioners to review the emergency regulation prior to issuance in final form.

“SEC. 1804. LOCAL ADMINISTRATIVE COST LIMITATION.

“(a) LOCAL ADMINISTRATIVE COST LIMITATION.—Each local educational agency may use not more than 4 percent of funds received under part A for administrative expenses.

“(b) REGULATIONS.—The Secretary, after consulting with State and local officials and other experts in school finance, shall develop and issue regulations that define the term administrative cost for purposes of this title. Such definition shall be consistent with generally accepted accounting principles. The Secretary shall publish final regulations on this section not later than 1 year after the date of the enactment of the No Child Left Behind Act of 2001.

“SEC. 1805. APPLICABILITY.

“Nothing in this title shall be construed to affect home schools nor shall any home schooled student be required to participate in any assessment referenced in this title.

“SEC. 1806. PRIVATE SCHOOLS.

“Nothing in this title shall be construed to affect any private school that does not receive funds or services under this title, nor shall any student who attends a private school that does not receive funds or services under this title be required to participate in any assessment referenced in this title.

“SEC. 1807. PRIVACY OF ASSESSMENT RESULTS.

“Any results from individual assessments referenced in this title which become part of the education records of the student shall have the

protections as provided in section 444 of the General Education Provisions Act.”.

TITLE II—PREPARING, TRAINING, AND RECRUITING QUALITY TEACHERS

SEC. 201. TEACHER QUALITY TRAINING AND RECRUITING FUND.

Title II (20 U.S.C. 6601 et seq.) is amended to read as follows:

“TITLE II—PREPARING, TRAINING, AND RECRUITING QUALITY TEACHERS

“PART A—TEACHER QUALITY TRAINING AND RECRUITING FUND

“SEC. 2001. PURPOSE.

“The purpose of this part is to provide grants to States and local educational agencies in order to assist their efforts to increase student academic achievement through such strategies as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom.

“Subpart 1—Grants to States to Prepare, Train, and Recruit Qualified Teachers

“SEC. 2011. FORMULA GRANTS TO STATES.

“(a) IN GENERAL.—In the case of each State that in accordance with section 2013 submits to the Secretary an application for a fiscal year, the Secretary shall make a grant for the year to the State for the uses specified in section 2012. The grant shall consist of the allotment determined for the State under subsection (b).

“(b) DETERMINATION OF AMOUNT OF ALLOTMENTS.—

“(1) RESERVATION OF FUNDS.—From the amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve—

“(A) ½ of 1 percent for allotments for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among these outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purpose of this part; and

“(B) ½ of 1 percent for the Secretary of the Interior for programs under this subpart for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

“(2) STATE ALLOTMENTS.—

“(A) HOLD HARMLESS.—

“(i) IN GENERAL.—Subject to subparagraph (B), from the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1), the Secretary shall allot to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico an amount equal to the total amount that such State received for fiscal year 2001 under—

“(I) section 2202(b) of this Act (as in effect on the day before the date of the enactment of the No Child Left Behind Act of 2001); and

“(II) section 306 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106-554).

“(ii) NONPARTICIPATING STATES.—In the case of a State that did not receive any funds for fiscal year 2001 under one or both of the provisions referred to in subclauses (I) and (II) of clause (i), the amount allotted to the State under such clause shall be the total amount that the State would have received for fiscal year 2001 if it had elected to participate in all of the programs for which it was eligible under each of the provisions referred to in such subclauses.

“(iii) RATABLE REDUCTION.—If the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for any fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

“(B) ALLOTMENT OF ADDITIONAL FUNDS.—

“(i) IN GENERAL.—Subject to clause (ii), for any fiscal year for which the total amount made available to carry out this subpart and not reserved under paragraph (1) exceeds the total

amount required to make allotments under subparagraph (A), the Secretary shall allot such excess amount among the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico as follows:

“(I) 50 percent of such excess amount shall be allotted among such States on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

“(II) 50 percent of such excess amount shall be allotted among such States in proportion to the number of children, aged 5 to 17, who reside within the State from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available, compared to the number of such individuals who reside in all such States for that fiscal year.

“(ii) EXCEPTION.—No State receiving an allotment under clause (i) may receive less than ½ of 1 percent of the total excess amount allotted under such clause.

“(3) REALLOTMENT.—If any State does not apply for an allotment under this subsection for any fiscal year, the Secretary shall reallocate such amount to the remaining States in accordance with this subsection.

“SEC. 2012. WITHIN-STATE ALLOCATIONS.

“(a) USE OF FUNDS.—Each State receiving a grant under this subpart shall use the funds provided under the grant in accordance with this section to carry out activities for the improvement of teaching and learning.

“(b) RESERVATION OF FUNDS.—

“(1) IN GENERAL.—A State that receives a grant under this subpart may reserve not more than 5 percent of the amount of the funds provided under the grant for—

“(A) one or more of the authorized State activities described in subsection (e); and

“(B) planning and administration related to carrying out such activities and making subgrants to local educational agencies under subparts 2 and 3.

“(2) LIMITATION ON ADMINISTRATIVE COSTS.—The amount reserved by a State under paragraph (1)(B) may not exceed 1 percent of the amount of the funds provided under the grant.

“(c) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

“(1) IN GENERAL.—The Secretary may make a grant to a State under this subpart only if the State agrees to distribute the funds described in this subsection as subgrants to local educational agencies under subpart 3.

“(2) HOLD HARMLESS.—

“(A) IN GENERAL.—From the funds that a State receives under this subpart for any fiscal year that are not reserved under subsection (b), the State shall allot to each local educational agency an amount equal to the total amount that such agency received for fiscal year 2001 under—

“(i) section 2203(1)(B) of this Act (as in effect on the day before the date of the enactment of the No Child Left Behind Act of 2001); and

“(ii) section 306 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106-554).

“(B) NONPARTICIPATING AGENCIES.—In the case of a local educational agency that did not receive any funds for fiscal year 2001 under one or both of the provisions referred to in clauses (i) and (ii) of subparagraph (A), the amount allotted to the agency under such subparagraph shall be the total amount that the agency would have received for fiscal year 2001 if it had elected to participate in all of the programs for which it was eligible under each of the provisions referred to in such clauses.

“(C) RATABLE REDUCTION.—If the funds described in subparagraph (A) are insufficient to